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GENERAL DISCUSSION ON PROGRESS IN THE IMPLEMENTATION OF AGENDA 21, FOCUSING ON THE CROSS-SECTORAL COMPONENTS OF AGENDA 21 AND THE CRITICAL ELEMENTS OF SUSTAINABILITY

Draft decision submitted by the Chairman

Changing production and consumption patterns

1. The Commission affirms that while poverty results in certain kinds of environmental stress, the major cause of the continued deterioration of the global environment is the unsustainable pattern of consumption and production, particularly in industrialized countries, which is a matter of grave concern, aggravating poverty and imbalances. The Commission thus reaffirms the need to change the patterns of consumption and production that are detrimental to sustainable development. In the context of common but differentiated responsibilities in this field, the developed countries bear a special responsibility and have agreed to take the lead by taking effective measures for change in their own countries. In that context, the Commission reiterates that national authorities should endeavour to promote the internalization of environmental costs and the use of economic instruments, as appropriate, taking into account the polluter-pays principle.

2. The Commission, taking into account Agenda 21, in particular chapter 4, "Changing consumption patterns", welcomes the recent increase in activities and efforts at the local, national, and international levels aimed at changing the prevailing unsustainable production and consumption patterns. The Commission recognizes that Governments should continue to improve their decision-making so as to integrate environmental, economic and social considerations, which will involve the use of a range of different policy approaches and instruments. The Commission notes the initiative taken by the Government of Norway in hosting the Oslo Ministerial Roundtable Conference on Sustainable Production and Consumption (6-10 February 1995) and its contribution to underlining the importance of

focusing on demand-side issues as a complement to the traditional supply-side approach. The Commission also notes the inputs provided to the Oslo Conference by various sources, including the Zeist Workshop on Facilities for a Sustainable Household (23-25 January 1995), organized by the Government of the Netherlands, and the Massachusetts Institute of Technology/Organisation for Economic Cooperation and Development (OECD) Experts Seminar on Sustainable Consumption and Production Patterns (Cambridge, 18-20 December 1994).

3. In welcoming the inter-sessional work undertaken by Governments, the Commission reaffirms the need for additional substantial efforts and real progress by States, in particular the developed countries, in changing their unsustainable production and consumption patterns, and in assisting to redress the present imbalances between industrialized and developing nations. It welcomes further contributions from the United Nations Conference on Trade and Development, the United Nations Environment Programme and other international organizations, such as OECD, in this area.

4. The Commission notes with concern the significant gaps in per capita income between developing and developed countries and the continuing current imbalances in the global patterns of consumption and production. The Commission notes with concern that the growing recognition of the need to address patterns of production and consumption has not yet been matched by a full understanding of the implications of such patterns on economic, social and environmental conditions at the local, national and global levels. In order to most effectively design and implement public policies consistent with the earth's carrying capacity, more needs to be known about the role of current and projected consumption and production patterns in relation to environmental quality, economic growth and population dynamics. Thus, sustainability, including equity concerns, should continue to be addressed by Governments, the Commission, and other fora in their deliberations on how changing production and consumption patterns will affect environmental, social and economic conditions in and among countries at all levels of development.

5. The Commission urges Governments at all levels, business and industry, and consumers to intensify efforts at reducing the energy and material intensities of production and consumption, through improving energy efficiency, taking energy-saving measures, technological innovations and transfer, increased waste recovery, reusing and recycling of materials. The Commission stresses that all countries have, and should exploit opportunities for further improving efficiency in resource consumption and for reducing environmentally harmful by-products of current consumption and production patterns in accordance with national priorities and international agreements, for example, by promoting the use of renewable energy sources. In this context, taking into account the particular needs and conditions of developing countries, and based on the principle of common but differentiated responsibilities, the Commission urges developed countries to intensify effort to encourage the transfer of appropriate technologies to developing countries to assist them in such efforts.

6. The Commission notes that the above-mentioned Oslo Conference, which focused on consumption and production patterns in the developed countries, highlighted the demand-side and supply-side issues as deserving of equal emphasis and referred to the life-cycle approach to assessing the environmental,

social and economic impacts associated with unsustainable production and consumption patterns. To this end, the Commission emphasizes the responsibility shared by all stakeholders in society. Governments should provide an overall framework, including the regulations, economic incentives and infrastructure required to create the necessary conditions and facilities for business, industry and households to move toward sustainable production and consumption patterns. Business and industry in developed countries should fulfil their responsibility for managing the life-cycle impact of the goods and services that they supply, and are encouraged to provide information on the environmental and health effects arising from the production and consumption of their products. Households, particularly in developed countries, should adopt sustainable consumption habits and lifestyles. In this regard, public awareness campaigns, education and community-based voluntary action could contribute to fostering changes in lifestyles.

7. The Commission reaffirms that Governments themselves also play a role in consumption, particularly in countries where the public sector plays a large role in the economy and can have a considerable influence on both corporate decisions and public perceptions. Governments should therefore review the purchasing policies of their agencies and departments so that they may improve, where possible, the environmental content of government procurement policies, without prejudice to international trade principles. Governments and intergovernmental organizations, through appropriate mechanisms, may exchange information and experiences consistent with national laws and regulations in the area of their procurement policies.

8. The Commission takes note of the lack of information identified in the report of the Secretary-General on changing consumption and production patterns (E/CN.17/1995/13) and other documents, and calls on Governments, international organizations, legislative bodies, research and scientific institutions, business and industry, and consumer organizations and other non-governmental organizations to join in concerted efforts to provide comprehensive information on the status, changes and projected trends in the environment, ecosystems and natural resources base at the national, regional and global levels. At the product level, while recognizing the need to reaffirm the importance of informing consumers about any environmental and health effects arising from the production and consumption of a given product, such information should not be used as a disguise for protectionist trade measures.

9. Given the long time-frame in which the interactions of economic activities and the environment take place, the Commission reiterates the need for launching medium and long-term studies to monitor and track the evolution of production and consumption patterns as well as associated environmental, social and economic impacts, both within and among nations. Such studies should cover technological innovation and transfer, economic growth and development, and demographic factors. They should produce quantifiable and measurable indicators so as to facilitate policy analysis and debate on relevant issues and trends. In undertaking these studies, attention should be paid to the various effects, including the potential trade effects and in particular the effects on developing countries and countries with economies in transition, of new measures and policy stances to be adopted in promoting sustainable production and consumption.

10. The Commission calls for the promotion of internalization of environmental costs, taking into account the polluter-pays principle, with due regard to the public interest and without distorting international trade and investment. In this regard, it welcomes progress made so far, including in countries with economies in transition and developing countries, in further analysing, adapting and applying various measures and policy instruments designed to internalize environmental externalities. The Commission recognizes that command-and-control measures and social and economic instruments all have their role to play in changing production and consumption patterns. Governments should take into account local and national conditions in designing and implementing such instruments. In the long run, economic and other market-based instruments are likely to be more cost-effective in bringing about sustained changes in producer and consumer behaviour. In this regard, the Commission invites Governments to consider introducing economic measures, including tax and subsidies reform designed to reduce negative environmental impacts and support employment.

11. The Commission regards natural resource accounting as a valuable tool for the comprehensive full-cost pricing of resource use, and calls upon Governments and international organizations to promote efforts aimed at integrating natural resource accounting into standard systems of national accounts. The Commission welcomes pilot projects launched by United Nations agencies in this area and urges Governments, as appropriate, to give full support to these activities.

12. The Commission recognizes the international dimensions of national efforts to change consumption and production patterns in the context of common but differentiated responsibilities. The Commission emphasizes that strengthened international cooperation in harmonizing criteria for the setting of voluntary product standards, with due regard to the specific environmental, social and economic conditions in developing producer/exporting countries, should take into account concerns about market access and the competitiveness of products and services. In this regard, the Commission calls on Governments to intensify efforts to encourage the transfer of appropriate technology.

13. The Commission also recognizes the wide scope and multiplicity of the issues related to consumption and production patterns. The Commission stresses the importance of and encourages the exchange of information at all levels on experience in changing production and consumption patterns.

14. The Commission welcomes in this regard the initiative of the Republic of Korea to organize a workshop on policy measures for changing consumption Patterns. Further reviews of country experiences might be initiated by the Commission on Sustainable Development in collaboration with relevant United Nations bodies, including the regional commissions, and other international organizations.

15. Taking into account the preceding paragraphs, the Commission adopts for its future work on changing production and consumption patterns the following work programme:

A. Identifying the policy implications of projected trends in consumption and production patterns

The Commission will review periodic reports containing long-term projections of the world economy with a time horizon of up to 40 years. Such projections should cover, inter alia, resource consumption and associated environmental, social and economic impacts, with particular reference to developing countries' efforts at meeting basic needs, eradicating poverty and achieving economic growth. Such studies should, inter alia, build upon the existing work of the United Nations system and other international organizations, and should make use of global models designed to project a number of indicators on environmental stress and its impact on the environment and human health.

B. Assessing the impact on developing countries, especially the least developed countries and small island developing States, of changes in consumption and production in developed countries

The Commission will review periodic reports on the economic, social and environmental impacts, particularly on developing countries, of world-wide changes in consumption and production patterns. Such reports should assess, inter alia, the additional trade opportunities to developing countries arising from the increasing demand for environmentally sound products in developed countries, as well as possible adverse impacts on exports from developing countries. The reports should also examine the prospects of increasing technology transfer through enhanced foreign-direct investment.

C. Evaluating the effectiveness of policy measures intended to change consumption and production patterns, such as command-and-control, economic and social instruments, government procurement policies and guidelines

The Commission will review reports on the effectiveness of policy measures in changing consumption and production patterns, e.g., through the internalization of environmental costs. The reports should evaluate the performance of command-and-control, social and economic instruments in country-specific situations with a view to facilitating a better understanding of the policy options that are available to policy makers in all countries.

D. Eliciting time-bound voluntary commitment from countries to make measurable progress on those sustainable development goals that have an especially high priority at the national level

The Commission will review a synthesis of national information to assess progress in fulfilling time-bound commitments by Governments concerned on a voluntary basis. In this context, the Commission urges Governments and other stakeholders to use the report of the Oslo Ministerial Roundtable Conference on Sustainable Production and Consumption, entitled "Elements for an international work programme on sustainable production and consumption", as a basis for actions and for discussion in suitable forums, and thereafter to report to the Commission on the implementation of those recommendations considered most

appropriate, in time for consideration by the Commission at its fifth session, in 1997.

E. Revision of the guidelines for consumer protection

The Commission recommends that the guidelines for consumer protection adopted by the General Assembly in its resolution 39/148 of 9 April 1985 be expanded to include guidelines for sustainable consumption patterns.

16. The Commission urges Governments, the various organizations and bodies of the United Nations system, other intergovernmental organizations, the secretariats of the various international conventions, and major groups, particularly local authorities, business and industry, to undertake specific elements of the Commission's work programme on changing production and consumption patterns. The Commission stresses the importance of exchanging country experiences. The Commission also notes with appreciation ongoing OECD work on sustainable production and consumption, and encourages OECD to submit the results of its work in this area to the Commission as soon as possible. The Commission recommends the convening of an expert meeting on sustainable production and consumption patterns, with the widest possible participation and hosted by interested Governments, to be held before its next substantive session with a view to collecting information, ideas and suggestions for the follow-up of this work.